



Rebuild Iowa Advisory Commission Meeting Notes

July 31, 2008 - 2:00 to 5:00 p.m. Community Training and Response Center

Kirkwood Community College
6301 Kirkwood Blvd. SW
Cedar Rapids, IA 52404

Present:

Governor Chet Culver
Lt. Governor Patty Judge

Commission Members Present:

Bill Bywater, Iowa City
Major General Ron Dardis, Johnston
Jim Davis, Charles City
Jim Faussett, Coralville
William Gerhard, Des Moines
Karris Golden, Waterloo
Brent Halling, Perry
Mike King, Creston
Linda Larkin, Fort Madison
Nita Lopez-Castillo, Columbus Junction
Carroll Reasoner, Cedar Rapids
Mark Wandro, Ankeny
Beverly Wharton, Sioux City

Presenters:

Jeff Berger, Iowa Department of Education
David Miller, Iowa Homeland Security and Emergency Management Division
Brett Mills, Iowa Finance Authority
Mike Tramontina, Iowa Department of Economic Development
Doug True, The University of Iowa

Rich Mahaney, Linn County Emergency Management Coordinator, welcomed the group to the Center. He expressed his gratitude for the Commission joining community leaders and touring the Cedar Rapids, Palo, and Linn County area.

Major General Ron Dardis, Commission Chair, called the second Rebuild Iowa Advisory Commission meeting to order at 2:00 pm. Dardis thanked the Governor and Lt. Governor for their attention to this issue. Dardis noted the role of Lt. Governor Judge as the Executive Director of the Rebuild Iowa Office, the operational center of Iowa's recovery effort. He noted that the Commission's job is to advise the Office in its work to have the most effective recovery effort. He thanked Commission members and state legislators for their attendance, noting that their strong support is appreciated. He also thanked the observers and citizens of Cedar

Rapids. He discussed how touring affected areas provides perspective of damage, but also indicates how important the cooperation and teamwork between the communities is so important. He added that the challenge has been turned into an opportunity.

Dardis thanked the Cedar Rapids hosts for excellent tours, indicating appreciation for taking the time to show their communities. Cedar Rapids and the community need to be recognized for a model response that included proactive, executed plans. He also recognized the importance that Cedar Rapids lost no lives in the disaster. He acknowledged Steve Havlik and the others involved in incident command. He expressed that the Rebuild Iowa Commission's mission and Task Forces, Speak Up Iowa meetings, and other opportunities present an opportunity to learn from Iowans about this issue as they make decisions and advise the Rebuild Iowa Office. He thanked the Governor and Lt. Governor, citing the Governor's very strong support and leadership during the disaster and his caring for all Iowans in the response and recovery phases.

Governor Culver apologized for having to leave shortly for other meetings, and thanked General Dardis and the Commission members for their willingness to serve the people of Iowa. He added that more troops were deployed during this crisis than anytime since the Civil War. He also thanked the Commission members for their time and talent that they have shared. Governor Culver shared a story with the group about Commission member Bill Bywater and his looking around the nation for best practices in mitigation to assist with his work on the mitigation Task Force. He encouraged the group to look at the rebuilding effort the same way that the state looked at the emergency phase. He noted that needs are still very pressing: homes, jobs, and an impending mental health crisis are all important considerations for the recovery and rebuilding phase that are just as important as the rescue and recovery phase. He added that this is the responsibility of the Commission, Governor's Office, and other leaders to assist people. He asserted that the Rebuild Iowa Office was designed to be able to assist in intervening to provide more immediate assistance as needs arise. He indicated his confidence in the Rebuild Iowa Office and Commission having created an effective structure to meet those needs. Governor Culver also indicated his appreciation for Lt. Governor Judge helping lead the fight on behalf of Iowans as well.

Lt. Governor Judge addressed the public, recognizing that the Governor worked hard to find the fifteen people serving on the Commission, finding people from across the state, from different walks of life, with different experiences. She also said that they expected to have a couple of people turn their office down: not one of the fifteen people who are serving on the Commission said no. She noted that the Commission is made up a great group of people. She added that making progress these important issues will take a lot of hard work and knowledge, also recognizing that this is one of the largest events Iowa has ever dealt with, and the role of the Commission and their recommendations are extremely important. She noted that all information that the Commission is working on compiling is critical. She thanked the Commission, legislators, other officials and Cedar Rapids residents for their time and commitment to the issue. She also took time to thank the Rebuild Iowa Office staff for their commitment and work.

General Dardis discussed the Speak Up Iowa listening sessions, noting that the Commission believes that it is the best and most organized way to hear from the public. This is an opportunity to hear about the issues, thoughts and ideas of all that want to share. It is very critical to hear this information at the Iowa Hall Rooms A-D at the Kirkwood Campus. He explained the process of filling out a general input form followed by the opportunity to talk one-on-one about thoughts, concerns, and ideas. There will also be chart paper posted where people can leave thoughts and ideas. General Dardis also encouraged the Commission members to attend the Speak Up Iowa session if their schedule allows. He also announced that

the FEMA Mobile Response Center and Dick Hainje from FEMA will be there to answer questions. He asked everyone to try to think for big picture solutions to long-term needs and planning and consider how you want your neighborhoods and communities to look 5, 10, or 15 years from now. It is important to think about how to build Iowa smarter, safer, stronger, and more prepared. He announced that Speak Up Iowa sessions will be held after every Commission meeting.

Dardis asked Commission members to provide updates from the Task Forces that met early in the week. He reminded those in attendance that the updates that are provided today are just updates, and in no way reflect recommendations or final reports. Final reports will be developed with additional information from future meetings and Speak Up Iowa sessions.

Jim Davis provided a short update on the Housing Task Force, which met Monday, July 28. He explained that the Task Force is made up of a variety of people with necessary expertise and has the added value of a Resource Group. He added that the group also has an email list that is available for anyone to join. Davis also shared information on known information about Housing.

As of July 15, 2008, a FEMA statewide daily report indicated that:

- 21,733 primary residences affected
- 244 secondary residences affected
- 21,353 of those were described as single family residences
- 455 were described as multi-family residences
- 144 were mobile homes

Damage

- 11,887 of those affected have been reported to be habitable
- 9,466 of those affected have been reported to be uninhabitable
- As of July 24, 2008, a FEMA statewide report indicated that:
- 34,805 total registrations have been received for assistance

Davis also mentioned that FEMA report registrations come in still exceeding 200 per day.

Davis reminded the group that the state has immediate needs for housing, and it is recognized that winter is on the way. There are also transitional and long-term needs to consider. Renters, homeowners, and landlords all have very specific needs. There is an immediate need to get people in temporary housing, and a need to get people access to services. There is a lack of available personnel, availability of land, capacity for production of housing, willingness of people to buy or rent, and a need for comprehensive planning for sustainability and livability. It is important to get critical information to individuals, as people need information to make decisions for the long term.

Davis also outlined the importance to consider community needs in housing. There is a need for accurate information and data, which is important to housing and to other Task Forces. He mentioned that the Housing Task Force has to have its Task Force report complete by August 18 and is trying to move as fast as possible while working as accurately as possible. He noted that all of the members understand the urgency of the housing issues. For folks that have been displaced, this is an emergency.

Bret Mills from the Iowa Finance Authority (IFA) spoke about housing-related efforts and developments at the federal level. He thanked the Commission for including the Iowa Finance Authority in this important meeting. He directed the Commission members to an outline of the Housing and Economic Recovery Act of 2008, H.R. 3221. He explained that the state housing

programs include Housing and Urban Development (HUD), Community Development Block Grant (CDBG) Funds and HOME. Mills explained that IFA is in charge primarily of the low income tax credit programs, which include the first time homebuyer program and the low-income housing tax credit program. He noted that H. R. 3221 mandates \$11 billion in additional mortgage revenue bond authority for the states. This is to help mitigate the foreclosure issues affecting coastal states the most. In terms of Iowa, since it gets 1% of the overall bond authority, Iowa will receive an additional \$100 million in authority for mortgage bonding for those located in a Presidential Disaster Area. Those that qualify are not required to be a first-time homebuyer. Many can qualify for a standard 30-year fixed rate mortgage. As this information is new, IFA will continue to get information out and work through the RIO to keep information current. Mills also clarified that during the best practices session of the Housing Task Force meeting earlier in the week, information was shared about a program that was started in the mid-1990s in South Dakota to address the affordable housing need. The state of South Dakota started a building trades program that trained prisoners. Homes were built and sold for \$32,000 apiece, a price point that is not going to be provided by the private market. These homes were 1,000 square feet with two bedrooms and handicapped accessibility. Homes were then available to a segment of the population that otherwise would not be at that level of housing. Prison participants were required to participate in a 9-month certification program. In South Dakota, people are waiting in line to hire these graduates, and they are not re-entering the prison system. Mills clarified that the information regarding the Housing Assistance Tax Act of 2008 has not been released to lenders and will not be until IFA has worked through provisions to make it easier to implement, though IFA plans for it being released within the week. He thanked the Commission for their time.

Dardis asked the Commission if there were any questions for Davis or Mills. Dardis asked Mills if the prison model mentioned from the South Dakota had ever been tried in Iowa. Mills answered that a program was started and ended a few years ago after meeting with some resistance. He explained that that program was conducted in such a way where it was competing with the private sector. He noted that building a type of house in that price point like South Dakota used that included income guidelines for buyers might not compete in the same way. Dardis expressed interest in exploring this as an alternative. A Commission member commented that competition does not just mean competing with companies but also competing with manpower and competing with a large group of people that are looking for jobs in that area.

The Housing Task Force Report will identify both short and long-term issues and well as ideas for addressing those issues. Dardis thanked Davis and Mills for their comments and recognized that more information about housing will continue to be sought.

Dardis introduced Bill Gerhard to present on the Economic Development and Workforce Task Force that met earlier this week.

Gerhard provided information from the Economic Development and Workforce Task Force meeting held on July 28th. He noted that the Cedar Rapids area was well represented, and they had a large number of people serving on the Resource Group. He thanked the legislators present as well as speakers that included Elisabeth Buck, who talked about the Emergency Jobs Program and Disaster Unemployment Assistance Program that are still underutilized, and which the group agreed should be extended. He also recognized speakers from Hawkeye Community College, FEMA, and United Way that participated in the Task Force meeting. He noted that immediate needs were priorities to keep small businesses going, and that immediate resources for small businesses are a priority for the Task Force, as is the possibility of a Small Business Disaster Fund.

Gerhard introduced Mike Tramontina, Director of the Department of Economic Development. Tramontina spoke about the Economic Development Task Force. For businesses, it has been extremely difficult to come up with an estimate on damages and even more difficult to come up with an estimate of unmet needs. He explained that right now a business that has been damaged needs to file with FEMA and can file with SBA for loan funds. He recognized that SBA does seem to be moving promptly.

Tramontina also shared information on known information about business funding:

- 1,082 SBA applications have been sent out
- 316 loans have been approved
- \$36.7 million total loan funds have been approved
- The average loan amount is around \$60,000
- The SBA is accepting and funding 40% of applicants
- The terms are 4% loan stretched out for 30 years, and businesses have to be able to show they can repay the loan. If a business does not qualify for a 4% loan, it may receive an 8% loan.

Tramontina noted that a best practice for business after a disaster like this is to give small business assistance and do it quickly. He added that in 1993 the only form of funding to assist small business was Community Development Block Grants, and of that funding stream, virtually none of that went to business. That year, only 11 businesses got assistance from state or federal sources, which totaled \$400,000 out of \$72 million. He also recognized that currently in the state of Iowa there are no business disaster assistance programs on a contingent or permanent basis. He recommended a small business stimulus assistance structure, which includes a forgivable loan of 20-25% of what a company had to borrow from SBA for any small business.

Tramontina also recognize a need for larger employers to have assistance to address substantial rehabilitation or rebuilding efforts. He recognized that this could be expensive, but it is important for the state to show employers that it is critical that they do rebuild, especially in an efficient way. He shared an example a for funding formula equaling \$1,000 per employee. The small business loan program is estimated to cost \$15 million and the large employer program is estimated to cost \$10 million.

He noted that there are still over 400 new business prospects for Iowa and it is important to maintain the competitive position of Iowa while working on rebuilding. He also announced that the Iowa Values Fund will be donating \$5 million to disaster assistance and that Community Development Block Grants can set aside \$5 million as well. He noted that it has not been decided where the money will come from at this time.

Dardis asked whether there is any information available about what the CDBG supplemental amount will be for Iowa? Tramontina noted that immediately following the disaster, \$2.8 billion was set aside for Midwest disaster relief; much of that funding went to FEMA and SBA. HUD got about \$3 million for CDBG, but information has not been released from HUD on how that will work. Senator Harkin has announced that a draft of a bill with \$10 million of assistance including \$1.82 million of CDBG, but details is not known. Tramontina added that after 1993, one CDBG chunk was not voted upon until several months after the floods. CDBG is one of the most flexible sources of recovery funding, as it is eligible to be used as match for federal money.

A Commissioner asked for more information about the promotion of Iowa Workforce Development Disaster Unemployment Assistance, since people who are not physically close to the affected areas have heard about it. RIO staff member Joe Mowers said that the program is

being promoted through the press and local areas because you have to be an approved work site to qualify. For Disaster Unemployment Assistance, when they are denied regular unemployment, individuals go into a pool for federal assistance. The self-employed are also eligible for this type of assistance. Staff from the offices of Senators Harkin and Grassley, present at the meeting, indicated that the bill is not moving fast at the federal level.

Tramontina further commented that banks are going to have to do a lot of forbearance. A representative from an Iowa City bank noted that one of the tasks banks have been undertaking is educating people about what is available from the SBA. There has not been much discussion about banks doing their own separate programs. Banks have found that many people are still working through the SBA programs, and many do not think that they should even apply for other types of assistance.

Dardis asked about forgivable loans. Mayors from Coralville and Iowa City shared that each city has committed \$75,000 for forgivable loans for small business for less than 25 employees. They recognized that this is a very successful and responsive group. The Chamber of Commerce is also determining how it may participate. Local bankers have been responsible as well, but there is a much greater need than has been met at this time.

Doug Neuman from the Downtown Association of Cedar Rapids spoke about how the Cedar Rapids City Council has also given \$3 million for a program for small business recovery. This program has a set of criteria that includes businesses with 50 employees or less that commit to staying in business for at least three years. This is a \$15,000 grant with a \$15,000 forgivable loan. If the business chooses to reinvest in a flood affected area, they will have access to an additional \$5,000. The City Council has also set aside money to provide residents additional financial counseling for personal decision making.

A Commissioner noted and thanked the banks in the Cedar Rapids – Iowa City Corridor for their work to assist small businesses and individuals.

Representative Jacoby spoke about his perspective on the floods. He also noted that after disasters, the numbers are that 40% of businesses typically do not reopen, after two years 25% of those that reopened subsequently close. It is important to get immediate response to these businesses. He highlighted the Disaster Unemployment Assistance program for small business owners and the self-employed. It does not count against unemployment insurance, and is an underutilized program.

A Commission member noted the importance of the self-employed individuals who work in the creative arts who choose to live in Iowa when they could work anywhere. She recognized that these non-traditional self-employed individuals should not be overlooked.

The importance of counseling was brought up, that people who are traumatized are responsible for making big, important decisions right away. Tramontina commented upon the Department of Economic Development's Main Street business program that works to assist by offering consultants to provide technical assistance to main street businesses. An SBA representative noted that the Small Business Development Centers and SCORE also provide business counseling and a business recovery center in Cedar Rapids and serve as local SBA partners. They help businesses on their applications for SBA and will help recreate financial records, if necessary, as well as making decisions about adaptation and rebuilding. Tramontina recognized SCORE volunteers for their hard work. A Commission member also commented upon the Adopt a Business program in Cedar Rapids through the Chamber of Commerce which helps with technical assistance and decision-making. Tramontina encouraged the Commission to plan on

implementing these items as soon as they can, recognizing that small business have a huge impact on communities. Dardis thanked Gerhard and Tramontina for their presentations.

Dardis also mentioned that Palo has a need for 50 homes, and only 20 families have been placed. FEMA commented that 40 homes are en route to Iowa, and they have to be inspected once they get here. The park model units do not require inspections, and families of the appropriate size have been placed in those homes. FEMA staff indicated that they have been told that many more homes are coming. Dardis commented that the Commission recognizes that FEMA is working hard, but that people are waiting for these homes and it is a high priority need.

An SBA representative answered questions about their services. He specifically addressed the complexities of farm-related claims.

Following a short break, Dardis thanked the group and introduced Jim Fausett. Fausett discussed the Task Force meeting held July 29th which included the main institutions of education from preschool, K-12, community colleges, universities, non-public schools, and public libraries as education centers for local communities. He spoke about the importance of the Iowa education system emerging stronger and better, as well as the role of state for assisting with policy and resource issues, especially that all students have equal or greater access and opportunities for learning post-disaster as pre-disaster. He mentioned a real urgency for funding for schools, and the group needs to be considering a grant structure immediately. He added that transportation issues including the allowable length of bus rides are a concern for displaced students and the schools that serve them.

Wharton acknowledged that most all institutions studied by the Task Forces will be starting in the next 30 days. The Task Force had a sense that a lot of work has been done in this area and with families. She noted that some districts are being very creative in making decisions, and she encouraged that schools contact FEMA right away and not miss opportunities to receive this important funding. She echoed Fausett's concerns about transportation issues and the possibility for emergency rulemaking to assist some districts. She also mentioned that beyond students, the Task Force is also concerned about families, and the importance of mental health service provision. Wharton also noted the need for bridge funding opportunities for schools to meet early needs. The Task Force also recognized the need for skilled employees to rebuild schools.

Two areas where there are data needs are preschools and post-secondary education institutions and what kinds of impacts the incident will have on all types of learners and their ability to continue their education. Wharton also mentioned hazard mitigation and continuity of operations planning for future long term goals, where schools can learn from each other to make best decisions. The Task Force also recognized that because of the changing use of land in the state and new levees and dams being built, the water flow has been affected and new information collection will be required. Finally, Wharton noted that the Education Task Force discussed many of the good things that are going on in the state, and more communication needs to be instituted to show that we are still functioning with business as usual. Fausett also recognized that those schools that are not reopening will put pressure on others.

Dardis asked how many schools may not reopen. Fausett said that there were two known closures, at least for the first half of the school year.

Jeff Berger from the Iowa Department of Education directed the Commission to a PowerPoint presentation and expressed Director Jeffrey's regrets for her inability to be present. Berger recognized that the incidents of 2008 can be described as a life event more than an education

event. The Department is telling schools directly to be flexible, patient, and if there is a student in your district, serve them, and the Department will help schools work out any issues school by school. He added that Cedar Rapids is clearly the district most significantly impacted, but there have been four types of events that have been impacting educational institutions around the state. He noted that school districts often participated in sharing stockpiled commodities for relief, which was facilitated by the Department of Education, as well as replenishing their stocks as allowed. Berger also mentioned that the Department took care to make allowances for deadlines for any affected district. He took time to explain that affected school districts were excellent about reporting information in a timely and complete manner. Information regarding non-public schools, community colleges, and Area Education Agencies were also included in the report. He also noted that building level data is available from the Department. Maps illustrated related the number of school districts reporting damage, type of damage, displaced students, overall damage and expenses. Highlights include:

- 73 public school districts affected, \$36.2 million in damage excluding Cedar Rapids plus estimated \$30 million for Cedar Rapids for \$66.2 million total
- 6 non-public facilities and 2 systems affected, \$1.7 million in damage
- 2 AEAs affected, \$7.5 million in damage
- 5 Community Colleges affected, \$2 million in damage

Berger also explained that the larger the district, and the greater the damage, the longer it takes to be able to compile an estimate. Some possible legislative remedies include expanded waiver authority, flexible spending, and continuing to work with stakeholders.

Doug True of The University of Iowa provided an overview of Regents Institutions. He noted that there are a few handouts in Commission packets and that future reports will be shared with the Commission. Iowa State University sustained limited flooding in late May with much damage still not fully assessed. The University of Northern Iowa officially closed for one day and has housed many evacuees. He noted that in 1993, The University of Iowa had \$6 million in total damage. The University has been humbled by this disaster in comparison. Regarding people, the University has 22,000 faculty and staff, 30,000 students and 11,000 summer students affected. It was a priority to make sure that students were maintaining opportunities to continue their education. Many programs for staff were put into place, such as vacation donation and other items to give a chance to get their personal lives in order. Some of the people who have the most energy are the most impacted. He explained that \$232 million is an early estimated damage for The University of Iowa. This estimate will be redefined, but it does not include interruption of business or flood mitigation issues. General Dardis and some of his officers were at the University early in the process. The hospitals and clinics did not shut down, even with the power out and staff having trouble getting to work. Summer session only lost one week and the fall semester will be starting soon. The Mayflower residence hall will be opened on time. The University staff was working hour-to-hour for a while, pretty soon it was the next day, then the next week. Now the Administration is thinking about what will happen in the next two years and flood mitigation will be a large part of decision making in the future.

A Commissioner asked if there were off-campus student housing needs. True explained that the Provost's office helped get the list of names of those affected students who had off-campus housing plans that will now not be available and these students are finding their way through alternate means of housing.

Dardis asked Dave Miller, Administrator of Iowa Homeland Security and Emergency Management, to comment on any additional points of interest. Miller mentioned the importance of the housing issue and the need to move faster. Some of the alternatives will include assisting with housing manufacturers and FEMA negotiations. This includes both short and long-term

issues and are discussions that need to happen with all communities. He also mentioned that The University of Iowa uniquely had a high level of insurance. The policies and recommendations for flood insurance will be key in future discussions. There is a tendency to look at mitigation from the funding that is available in federal programs. He encouraged the group to look at mitigation at a greater level. Also, there is a mental health grant that the Department of Human Services has applied for to provide mental health services throughout the state. These services will be delivered locally.

Dardis noted that the common theme among many Task Forces is the concern that information be disseminated. Dardis also thanked Miller and his team for their hard work.

Linda Langston, Linn County Board of Supervisors, explained the Linn County Iowa Flood of 2008 map.

It was asked which Task Force will be working on the flood insurance issue. Miller explained that the flood insurance program is a national program and the state management of that program is housed in the Department of Natural Resources. There is a low level of flood insurance in the state. There is a map modernization program being undertaken to map the most populated areas. The Flood Plain Management and Hazard Mitigation Task Force will be studying that issue.

Dardis asked about how communities are conducting mapping. Miller noted that it is expensive and some areas may not have the funding to take this on. A Commission member added that the Army Corps of Engineers has some capacity to assist with this. Some counties have taken this on, recognizing that it drives land development.

Tramontina commented that the housing need is an incredible priority and that we all need to recognize the housing issue is two-tiered to include emergency and longer term needs. He urged the Commission to look at the type of building practices used and funding required.

Dardis noted that the next Commission meeting will be on Tuesday, August 5, in Wapello. The schedule for the Commission will be similar to this meeting, with touring, a meeting, and a Speak Up Iowa session following. The Task Forces on Infrastructure and Transportation, Agriculture and Environment, and Cultural Heritage and Records Retention will provide updates at that meeting.

Dardis also noted that it is extremely important for each Task Force to provide the best known damage assessment for the area, as well as priorities, gaps, funding, unmet needs and recommendations. McKeen stated that the meeting room in Wapello is not air conditioned, and Commission members and guests should plan accordingly. Mayor Regina Bailey and Mayor Tempore Brian Fagan were introduced. The meeting was adjourned at 4:40 pm.